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Mineral Industry Surveys

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LEAD IN MARCH 2005

Domestic mine production, based on the net quantity of lead recovered from concentrate, was 31,500 metric tons (t) in March, according to the U.S. Geological Survey. This was an increase of about 1% compared with production in February 2005 and a decrease of 6% compared with that of March 2004. Secondary refinery production (86,800 t) decreased by about 9% and reported consumption (105,000 t) decreased by about 7% from that of the previous month. When compared with that of March 2004, secondary production was down by 10% and reported consumption was down by about 9% respectively.

According to Platts Metals Week published quotations, the average North American producer price increased slightly from that of the previous month to 60.82 cents per pound. The average London Metal Exchange Ltd. (LME) cash price rose to $1,005.19 per metric ton, about a 3% increase compared with the February price. These prices were up by about 17% and 13%, respectively, when compared with March 2004 averages. The LME March 2005 prices ranged from a low of $979.00 per metric ton (March 2) to a high of $1,033.50 per metric ton (March 8); the lead price closed above $1,000 on 14 of the 21 trading days during the month. During March, LME lead stocks dropped by 350 t to 33,275 t.

Demand for lead in North America continued to be strong, with spot business now regularly transacted at producers' premiums, in excess of 8cents per pound. Persistent strong premiums offered in the United States, coupled with an anticipated quiet summer in Europe, resulted in some traders rumored to be looking at shipping some lead to North America. In Europe, supplies, while restricted, were more than adequate to meet demand (CRU International Ltd., 2005).

In China, the first quarter was quiet, with lead prices moving in a narrow range (around $1,142 per metric ton). Described as "the cold war between lead smelters and lead-acid battery manufacturers," smelters were contending with increased concentrates cost and increases in freight and power costs, while battery manufacturers were contending with very competitive battery prices on the international markets. As a result, lead smelters were beginning to increase exports, while lead-acid battery users started to import more batteries (Antaike, 2005; CRU International Ltd., 2005).

Johnson Controls, Incorporated signed a letter of intent in mid-March to purchase Delphi Corporation's global lead-acid battery business for approximately $212.5 million. Excluded from the announced deal were Delphi's two U.S. manufacturing facilities, which would continue to supply batteries to General Motors Corp. through a contract with Johnson Controls. A decision would be made later about the U.S. battery plants (Ryan's Notes, 2005b).

The American Stock Exchange approved the stock listing of Matelico, Incorporated. Metalico, founded in 1997, has plants in six States fabricating lead products and recycling nonferrous and ferrous metals. Its Mayco Industries plant in Birmingham, AL, is the Nation's largest producer of non-battery lead products (Platts Metals Week, 2005). Also, the Doe Run Company was reported to be close to buying Gulf Coast Recycling from Metalico. Gulf Coast is a secondary lead smelter with a reported production capacity of 27,700 metric tons per year (30,000 short tons per year) (Ryan's Notes, 2005a).

The National Defense Stockpile aggregated cash disposal (sale) of lead in March, under the monthly Basic Ordering Agreement DLA-Lead-005, was 3,500 t (approximately 3,860 short tons), with an approximate value of $3.6 million (Defense National Stockpile Center, 2005).

References Cited

Antaike, 2005, Market Commentary—Lead in Jan.-Mar.: Antaike, China Metal Market – Lead & Zinc, Tin Monthly, no. 101, April, p. 1-3.

CRU International Ltd., 2005, CRU Monitor—Lead: CRU International Ltd., April, 12 p.

Defense National Stockpile Center, 2005, Stockpile announces lead sales for March 2005: Fort Belvoir, VA, Defense National Stockpile Center news release, April 5, 1 p.

Platts Metals Week, 2005, Lead fabricator Metalico listed on American Stock Exchange: Platts Metals Week, v. 76, no. 12, March 21, p. 7.

Ryan's Notes, 2005a, Doe Run looking to buy Metalico smelter: Ryan's Notes, v. 11, no. 11, March 14, p. 5.

Ryan's Notes, 2005b, JCI to buy Delphi, dominates SLI market: Ryan's Notes, v. 11, no. 13, March 28, p. 5.

TABLE 1
SALIENT LEAD STATISTICS IN THE UNITED STATES[1]

(Metric tons, lead content, unless otherwise specified)

	2004		2005		
	Year	January - March	February	March	January - March
Production:					
Mine (recoverable)	430,000 r	105,000 r	31,100 r	31,500	93,700
Primary refinery	NA	NA	NA	NA	NA
Secondary refinery:					
Reported by smelters/refineries	1,120,000	274,000 r	92,900	84,700	271,000
Estimated	11,300	2,770 r	938	855	2,740
Recovered from copper-base scrap e	15,000	3,750	1,250	1,250	3,750
Total secondary	1,140,000	281,000 r	95,100	86,800	277,000
Stocks, end of period:					
Primary refineries	NA	NA	NA	NA	NA
Secondary smelters and consumers	66,100	66,800	65,200 r	63,200	63,200
Imports for consumption:					
Ore and concentrate	3	1	2	NA	4 2
Refined metal	183,000 r	41,100	17,000	NA	35,500 2
Consumption:					
Reported	1,370,000	344,000 r	113,000	105,000	332,000
Undistributed e	42,400 r	10,600 r	3,500	3,170	10,300
Total	1,410,000	355,000 r	117,000	109,000	343,000
Exports:					
Ore and concentrate	292,000	57,300	12,700	NA	25,000 2
Bullion	129	24	18	NA	42 2
Wrought and unwrought lead	82,400	32,100	4,960	NA	12,300 2
TEL/TML preparations, based on lead compounds	1,020	159	132	NA	249 2
Exports (gross weight): Scrap	56,300	17,600	4,610	NA	9,020 2
Platts Metals Week North American producer price (cents per pound)	55.14	49.40	60.73	60.82	60.74

eEstimated. rRevised. NA Not available.

[1]Data are rounded to no more than three significant digits, except prices; may not add to totals shown.

[2]Includes data for January - February only; March data were not available at time of publication.

TABLE 2
MONTHLY AVERAGE LEAD PRICES

	North American producer price	LME		Sterling exchange rate
	cents/lb	$/metric ton	£/metric ton	dollars/£
2004:				
March	51.94	885.98	485.18	1.826100
December	60.73	974.39	505.22	1.928639
Year	55.14	885.95	483.26	1.832475
2005:				
January	60.66	952.38	506.66	1.879725
February	60.73	977.03	517.74	1.887105
March	60.82	1,005.19	527.85	1.904304

Source: Platts Metals Week.

TABLE 3
CONSUMPTION OF PURCHASED LEAD-BASE SCRAP[1]

(Metric tons, gross weight)

Item	Stocks February 28, 2005	Net receipts	Consumption	Stocks March 31, 2005
Battery-lead	11,800	96,800	96,900	11,600
Soft lead	W	W	W	W
Drosses and residues	1,830	1,520	1,510	1,840
Other[2]	1,380	1,950	1,750	1,580
Total	15,000	100,000	100,000	15,000
Percent change from preceding month	XX	+2.8	+1.9	+0.5

W Withheld to avoid disclosing company proprietary data; included with "Other." XX Not applicable.
[1]Data are rounded to no more than three significant digits; may not add to totals shown.
[2]Includes solder, common babbitt, antimonial lead, cable covering, type metals, and other lead-base scrap not elsewhere classified.

TABLE 4
LEAD, TIN, AND ANTIMONY RECOVERED FROM
LEAD-BASE SCRAP IN MARCH 2005[1]

(Metric tons)

Product recovered	Secondary metal content		
	Lead	Tin	Antimony
Soft and calcium lead	64,800	--	--
Remelt lead	--	--	--
Antimonial lead	19,900	W	W
Other[2]	--	W	W
Total lead-base	84,700	27	255

W Withheld to avoid disclosing company proprietary data; included in "Total."
-- Zero.
[1]Data are rounded to no more than three significant digits.
[2]Includes cable lead, lead-base babbitt, solder, type metals, and other products.

TABLE 5
CONSUMPTION OF LEAD IN THE UNITED STATES[1]

(Metric tons, lead content)

Use	2004		2005		
	January - December	January - March	February	March	January - March
Metal products:					
Ammunition, shot and bullets	51,000	14,100	3,820	4,340	12,000
Brass and bronze, billet and ingots	3,150	1,030	194	194	581
Cable covering, power and communication and calking lead, building construction	4,270	1,150 r	517	551	1,550
Casting metals	33,400	8,340	2,780	2,780	8,340
Sheet lead, pipes, traps and other extruded products	24,000	5,790 r	2,000	666	4,880
Solder	1,460	396 r	103	164	378
Storage batteries, including oxides	1,170,000	293,000	96,800	88,400	282,000
Terne metal, type metal, and other metal products[2]	15,400	3,810	1,260	1,260	3,790
Total metal products	1,300,000	328,000	107,000	98,300	314,000
Other oxides and miscellaneous	67,500	16,100 r	5,640	7,180	18,600
Total reported	1,370,000	344,000 r	113,000	105,000	332,000
Undistributed[e]	42,400 r	10,600 r	3,500	3,170	10,300
Grand total	1,410,000	355,000 r	117,000	109,000	343,000

[e]Estimated. [r]Revised.
[1]Data are rounded to no more than three significant digits; may not add to totals shown.
[2]Includes lead consumed in foil, collapsible tubes, annealing, plating, galvanizing, and fishing weights.

TABLE 6
CONSUMER AND SECONDARY SMELTER STOCKS, RECEIPTS,
AND CONSUMPTION OF LEAD[1]

(Metric tons, lead content)

Type of material	Stocks February 28, 2005	Net receipts	Consumption	Stocks March, 2005
Soft lead	33,800 r	56,500	57,600	32,700
Antimonial lead	15,800 r	27,900	28,700	14,900
Lead alloys	W	W	W	W
Copper-base scrap	W	W	W	W
Total	65,200 r	99,300	101,000	63,200

[r]Revised. W Withheld to avoid disclosing company proprietary data; included in "Total."
[1]Data are rounded to no more than three significant digits; may not add to totals shown.

TABLE 7
U.S. EXPORTS OF LEAD, BY CLASS[1]

(Metric tons)

	2004		2005		
	February	Year	January	February	January - February
Lead content:					
Ore and concentrates	14,600	292,000	12,300	12,700	25,000
Bullion	--	129	24	18	42
Materials excluding scrap	11,300	82,400	7,330	4,960	12,300
TEL/TML preparations, based on lead compounds	25 r	1,020	117	132	249
Total	25,900	375,000	19,700	17,800	37,600
Gross weight: Scrap	5,770	56,300	4,410	4,610	9,020

rRevised. -- Zero.
[1]Data are rounded to no more than three significant digits; may not add to totals shown.

Source: U.S. Census Bureau.

TABLE 8
U.S. IMPORTS OF LEAD BY TYPE OF MATERIALS AND BY COUNTRY OF ORIGIN[1]

(Metric tons, lead content)

	General imports					Imports for consumption				
	2004		2005			2004		2005		
Country of origin	Year	January - February	January	February	January - February	Year	January - February	January	February	January - February
Base bullion:										
Mexico	3	--	--	--	--	3	--	--	--	--
Other	--	--	2	2	4	--	--	2	2	4
Total	3	--	2	2	4	3	--	2	2	4
Pigs and bars:										
Canada	166,000	24,800	17,200	16,700	33,900	166,000	24,800	17,200	16,700	33,900
Mexico	8,810	1,990 r	247	281	528	8,810	1,990 r	247	281	528
Peru	7,270	--	949	54	1,000	7,270	--	949	54	1,000
Other	1,310 r	772 r	42 r	13	55	15,100 r	772 r	42 r	13	55
Total	183,000	27,500	18,500	17,000	35,500	197,000	27,500	18,500	17,000	35,500
Grand total	183,000	27,500	18,500	17,000	35,500	197,000	27,500	18,500	17,000	35,500

rRevised. -- Zero.
[1]Data are rounded to no more than three significant digits; may not add to totals shown.

Source: U.S. Census Bureau.